

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)

January 1, 1999)

Access Charge Tariff Filings)

CC Docket No. 98-241

DA 98-2649

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MEMORANDUM OPINION AND ORDER

Adopted: December 30, 1998

Released: December 30, 1998

By the Chief, Competitive Pricing Division:

I. INTRODUCTION

1. On December 17, 1998, local exchange carriers (LECs) filed revisions to their interstate access tariffs to become effective on January 1, 1999 ("January 1, 1999 Access Charge Tariffs").¹ These proposed tariff revisions reflect, among other things, the implementation of certain requirements in the *Access Charge Reform Proceeding*² and the quarterly adjustment of the universal service contribution.³ On December 23, 1998, AT&T Corp. (AT&T) filed a petition to suspend and investigate or to reject the January 1, 1999

¹ See Appendix A.

² *Access Charge Reform, et. al.*, CC Docket No. 96-262, *et.al.*, First Report and Order, 12 FCC Rcd 15982 (1997), *aff'd sub nom. Southwestern Bell Tel. Co. v. Fed. Communications Comm'n*, 153 F.3d 523 (8th Cir. 1998); Order on Reconsideration, 12 FCC Rcd 10119 (1997); Second Order on Reconsideration, 12 FCC Rcd 16606 (1997); Third Order on Reconsideration, FCC 98-257 (rel. Oct. 5, 1998). (*Access Charge Reform Proceeding*). In the First Report and Order, the Commission required incumbent LECs, effective January 1, 1999, to reallocate approximately one half of the remaining amount of the tandem switching revenue requirement in the transport interconnection charge to the tandem switching rate element. See 12 FCC Rcd at 16067. In addition, the Commission stated that, beginning January 1, 1999, the monthly subscriber line charge (SLC) ceiling for non-primary residential lines will be adjusted for inflation and will increase annually by \$1.00 per line, until the SLC ceiling for non-primary residential lines is equal to the ceiling permitted for multi-line business lines. See 12 FCC Rcd at 16014. The Commission also established a schedule for increases in the presubscribed interexchange carrier charge (PICC) beginning January 1, 1999, but later determined that this schedule should be postponed until July 1, 1999. See 12 FCC Rcd at 16019-26; Third Order on Reconsideration.

³ Proposed First Quarter 1999 Universal Service Contribution Factors and Proposed Actions, Public Notice, CC Docket No. 96-45, FCC 98-318 (rel. Dec. 4, 1998).

Access Charge Tariffs filed by certain LECs, including Pacific Bell Transmittal Number 2020.⁴ MCI WorldCom Inc. (MCI WorldCom) also filed a petition on that date to suspend and investigate Pacific Bell Transmittal Number 2020. On December 29, 1998, Pacific Bell filed Transmittal Number 2026, which revises Transmittal Number 2020.⁵ On the same date, SBC Communications Inc. (SBC), on behalf of Pacific Bell, filed a reply to the petitions.

2. In this Memorandum Opinion and Order, we suspend for one day and set for investigation the rates for the common line basket filed by Pacific Bell in Transmittal Numbers 2020 and 2026.

II. DISCUSSION

3. In Transmittal Number 2020, Pacific Bell proposes, among other things, to correct a discrepancy in Centrex line counts between the Tariff Review Plan (TRP) Form "CAP-1" and the TRP Forms "RTE-1" that were filed with Pacific Bell's 1998 annual access tariff.⁶ This proposed correction would affect Pacific Bell's rates for the common line basket.⁷ We find that Pacific Bell's proposed correction of Centrex line counts in Transmittal Number 2020 may have resulted in an improper increase of Pacific Bell's maximum permitted common line revenues, which is a substantial question of lawfulness that warrants investigation.⁸ Although in Transmittal Number 2026, Pacific Bell proposes, among other things, to revise rates "to reflect the correct recovery of the Common Line revenue requirement,"⁹ it does not further revise its Centrex line counts. Accordingly, we suspend for one day and set for investigation the rates for the common line basket filed by Pacific Bell in Transmittal Numbers 2020 and 2026. We will issue a separate order designating specific issues for investigation.

III. EX PARTE REQUIREMENTS

4. This investigation is a permit-but-disclose proceeding and subject to the requirements under Section 1.1206(b) of the Commission's rules, 47 C.F.R. § 1.1206(b). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must contain a summary of the substance of the presentation and not merely a

⁴ Pacific Bell Tariff F.C.C. No. 128, Transmittal No. 2020 (filed Dec. 17, 1998). See *January 1, 1999 Access Charge Tariff Filings*, Order, DA 98-2522 (Comp. Pric. Div., rel. Dec 9, 1998) (establishing pleading filing dates and procedures).

⁵ Pacific Bell Tariff F.C.C. No. 128, Transmittal No. 2026 (filed Dec. 29, 1998).

⁶ Pacific Bell Transmittal No. 2020, Description and Justification at 7-10. See also AT&T Petition at 11-12.

⁷ Pacific Bell Transmittal No. 2020, Description and Justification at 9-10. See also AT&T Petition at 11-12.

⁸ 47 U.S.C. § 204(a).

⁹ Pacific Bell Transmittal No. 2026, Cover Letter at 1.

listing of the subjects discussed. More than a one or two sentence description of the views and arguments presented is generally required. See 47 C.F.R. § 1.1206(b)(2). Other rules pertaining to oral and written *ex parte* presentations in permit-but-disclose proceedings are set forth in Section 1.1206(b) as well.

IV. ORDERING CLAUSES

5. ACCORDINGLY, IT IS ORDERED that, pursuant to Section 204(a) of the Communications Act of 1934, as amended, 47 U.S.C. § 204(a) and through the authority delegated pursuant to Sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91 and 0.291, the rates for the common line basket filed by Pacific Bell in Transmittal Numbers 2020 and 2026 ARE SUSPENDED for one day and an investigation IS INSTITUTED.

6. IT IS FURTHER ORDERED that, pursuant to Sections 204(a) and 4(i) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 204(a), 154(i) and through the authority delegated pursuant to Sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91 and 0.291, Pacific Bell SHALL KEEP ACCURATE ACCOUNT of all amounts received that are associated with the rates that are subject to this investigation.

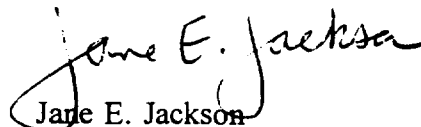
7. IT IS FURTHER ORDERED that Pacific Bell SHALL FILE a supplement advancing the currently scheduled effective date to December 31, 1998, and at the same time file a supplement reflecting the one day suspension to January 1, 1999.

8. IT IS FURTHER ORDERED that Pacific Bell SHALL FILE these supplements no later than five business days from the release date of this Order.

9. IT IS FURTHER ORDERED that for this purpose, we waive Sections 61.58 and 61.59 of the Commission's rules, 47 C.F.R. §§ 61.58, 61.59. Pacific Bell should cite the "DA" number of the instant Order as the authority for this filing.

10. IT IS FURTHER ORDERED that the petitions to suspend and investigate or to reject the January 1, 1999 Access Charge Tariffs ARE GRANTED to the extent indicated herein and otherwise ARE DENIED.

FEDERAL COMMUNICATIONS COMMISSION



Jane E. Jackson

Chief, Competitive Pricing Division
Common Carrier Bureau

APPENDIX A

Filings made by Price Cap CarriersDecember 17, 1998

Aliant Communications Company	Transmittal No. 24
Ameritech Operating Companies	Transmittal No. 1182
Bell Atlantic Operating Companies	Transmittal No. 1096
BellSouth Telecommunications, Inc.	Transmittal No. 489
Cincinnati Bell Telephone Company	Transmittal No. 30
Citizens Telecommunications Companies	Transmittal No. 55
Frontier Communications of Minnesota and Iowa	Transmittal No. 18
Frontier Communications of Rochester	Transmittal No. 13
GTE System Telephone Companies	Transmittal No. 270
GTE Telephone Operating Companies	Transmittal No. 1188
Nevada Bell	Transmittal No. 262
New York Telephone Company	Transmittal No. 1182
NYNEX Telephone Companies	Transmittal No. 533
Pacific Bell	Transmittal No. 2020
Southern New England Telephone	Transmittal No. 720
Southwestern Bell Telephone Company	Transmittal No. 2740
Sprint Local Telephone Companies	Transmittal No. 70
U S West Communications, Inc.	Transmittal No. 961

December 29, 1998

Nevada Bell	Transmittal No. 263
Pacific Bell	Transmittal No. 2026
Southwestern Bell Telephone Company	Transmittal No. 2741

Filings made by Rate of Return CarriersDecember 17, 1998

Alltel Telephone Services Corporation	Transmittal No. 66
Anchorage Telephone Utility	Transmittal No. 100
Arkansas Telephone Company	Transmittal No. 5
CenturyTel Operating Companies	Transmittal No. 6
CFW Telephone, Inc.	Transmittal No. 8
Chariton Valley Telephone Corporation	Transmittal No. 3
Contoocook Valley Telephone Company	Transmittal No. 5
DeKalb Telephone Company	Transmittal No. 2

Etex Telephone Cooperative	Transmittal No. 3
Fidelity Telephone Company	Transmittal No. 2
GTC, Inc.	Transmittal No. 5
GVNW	Transmittal No. 157
ICORE	Transmittal No. 16
Illinois Consolidated Telephone Company	Transmittal No. 103
John Staurulakis, Inc. (JSI)	Transmittal No. 34
Lexcom Telephone Company	Transmittal No. 1
Lufkin-Conroe Telephone Exchange, Inc.	Transmittal No. 41
National Exchange Carrier Association	Transmittal No. 816
Puerto Rico Telephone Company	Transmittal No. 33
Roseville Telephone Company	Transmittal No. 62
South Central Telephone Corporation	Transmittal Nos. 3 & 4
Telephone Utilities Exchange Carrier Association	Transmittal No. 156
Townes Telecommunications, Inc.	Transmittal No. 8
Tri-County Telephone Association	Transmittal No. 3
Virgin Islands Telephone Corporation	Transmittal No. 38
Vista-United Telecommunications	Transmittal No. 30

December 29, 1998

Alltel Telephone Services Corporation	Transmittal No. 67
National Exchange Carrier Association	Transmittal No. 818

APPENDIX B

Petitions

The following parties filed petitions against the January 1, 1999 Tariff Filings. Petitions were filed on December 23, 1998.

AT&T Corp.
MCI WorldCom Inc.

Replies

SBC Communications Inc. filed a reply to the petitions on December 29, 1998.